

AMENDED IN ASSEMBLY NOVEMBER 1, 2009

CALIFORNIA LEGISLATURE—2009–10 SEVENTH EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 14

Introduced by Assembly Member Caballero

October 30, 2009

An act to add Division 26.7 (commencing with Section 79700) to the Water Code, relating to financing a safe drinking water and water supply reliability program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 14, as amended, Caballero. Safe, Clean, and Reliable Drinking Water Supply Act of 2010: flood protection.

(1) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.

This bill would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$10,990,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program.

The bill would provide for the submission of the bond act to the voters at the November 2, 2010, statewide general election.

(2) Existing law makes \$3,000,000,000 available to the Department of Water Resources, upon appropriation, for various purposes including reducing the risk of levee failure in the Sacramento-San Joaquin Delta.

The bill would appropriate \$200,000,000 of these funds for flood protection projects in the Sacramento-San Joaquin Delta.

~~(3) The bill would take effect only if SB _____ of the 2009-10 7th Extraordinary Session of the Legislature is enacted and becomes effective.~~

~~(4)~~

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Division 26.7 (commencing with Section 79700) is added to the Water Code, to read:

DIVISION 26.7. THE SAFE, CLEAN, AND RELIABLE
DRINKING WATER SUPPLY ACT OF 2010

CHAPTER 1. SHORT TITLE

79700. This division shall be known, and may be cited, as the Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

CHAPTER 2. FINDINGS AND DECLARATIONS

79701. The people of California find and declare all of the following:

(a) Safeguarding supplies of clean, safe drinking water to California's homes, businesses, and farms is an essential responsibility of government, and critical to protecting the quality of life for Californians.

(b) Every Californian should have access to clean, safe, and reliable drinking water.

(c) Providing adequate supplies of clean, safe, and reliable drinking water is vital to keeping California's economy growing and strong.

(d) Encouraging water conservation and recycling are commonsense methods to make more efficient use of existing water supplies.

(e) Protecting lakes, rivers, and streams from pollution, cleaning up polluted groundwater supplies, and protecting water sources that supply the entire state are crucial to providing a reliable supply of drinking water and protecting the state's natural resources.

CHAPTER 3. DEFINITIONS

79702. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

(a) "Bay Delta Conservation Plan" means the final plan prepared pursuant to the planning agreement regarding the Bay Delta Conservation Plan, dated October 6, 2006.

(b) "Bay-Delta Estuary" means the Delta, Suisun Bay, and Suisun Marsh.

(c) "CALFED Bay-Delta Program" means the program described in the Record of Decision dated August 28, 2000.

(d) "Commission" means the California Water Commission.

(e) "Committee" means the Safe, Clean, and Reliable Drinking Water Supply Finance Committee created by Section 79812.

(f) "Delta" means the Sacramento-San Joaquin Delta, as defined in Section 12220.

(g) "Delta conveyance facilities" means facilities that convey water directly from the Sacramento River to the State Water Project or the federal Central Valley Project pumping facilities in the south Delta.

(h) "Delta counties" means the Counties of Solano, Yolo, Sacramento, Contra Costa, and San Joaquin.

(i) "Delta Plan" has the meaning set forth in Section 85059.

(j) "Department" means the Department of Water Resources.

(k) "Director" means the Director of Water Resources.

(l) "Disadvantaged community" has the meaning set forth in subdivision (a) of Section 79505.5.

(m) "Fund" means the Safe, Clean, and Reliable Drinking Water Supply Fund of 2010 created by Section 79716.

(n) "Integrated regional water management plan" has the meaning set forth in Section 10534.

(o) "Nonprofit organization" means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.

(p) “Public agency” means a state agency or department, district, joint powers authority, city, county, city and county, or other political subdivision of the state.

(q) “Secretary” means the Secretary of the Natural Resources Agency.

(r) “State General Obligation Bond Law” means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

CHAPTER 4. GENERAL PROVISIONS

79705. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

79706. Up to 10 percent of funds allocated for each program funded by this division may be expended for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This section shall not otherwise restrict funds ordinarily used by an agency for “preliminary plans,” “working drawings,” and “construction” as defined in the annual Budget Act for a capital outlay project or grant project. Water quality monitoring shall be integrated into the surface water ambient monitoring program administered by the State Water Resources Control Board.

79707. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division other than Chapter 8 (commencing with Section 79750).

79708. (a) Prior to disbursing grants pursuant to this division, each state agency that is required to administer a competitive grant program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines may include a limitation on the dollar amount of grants to be awarded.

(b) Prior to disbursing grants, the state agency shall conduct three public meetings to consider public comments prior to finalizing the guidelines. The state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be

1 conducted at a location in northern California, one meeting shall
2 be conducted at a location in the central valley, and one meeting
3 shall be conducted at a location in southern California. Upon
4 adoption, the state agency shall transmit copies of the guidelines
5 to the fiscal committees and the appropriate policy committees of
6 the Legislature.

7 79709. It is the intent of the people that the investment of public
8 funds pursuant to this division will result in public benefits.

9 79710. The State Auditor shall annually conduct a
10 programmatic review and an audit of expenditures from the fund.
11 The State Auditor shall report its findings annually on or before
12 March 1 to the Governor and the Legislature, and shall make the
13 findings available to the public.

14 79711. Funds provided by this division shall not be expended
15 to support or pay for the costs of environmental mitigation
16 measures or compliance obligations of any party except as part of
17 the environmental mitigation costs of projects financed by this
18 division, or for costs for groundwater cleanup pursuant to the
19 requirements of Section 79730. Funds provided by this division
20 may be used for environmental enhancements or other public
21 benefits.

22 79712. Funds provided by this division shall not be expended
23 to pay the costs of the design, construction, operation, or
24 maintenance of Delta conveyance facilities. Those costs shall be
25 the responsibility of the water agencies that benefit from the design,
26 construction, operation, or maintenance of those facilities.

27 79713. This division does not limit or otherwise affect the
28 application of Sections 10505, 10505.5, 11128, 11460, 11461,
29 11462, and 11463 and Sections 12200 to 12220, inclusive.
30 However, those sections do not create any right, in areas outside
31 of the Sacramento River hydrologic region, to water originating
32 within the Sacramento River hydrologic region as a result of
33 facilities constructed with the proceeds of bonds issued and sold
34 pursuant to this division.

35 79714. Eligible applicants under this division are public
36 agencies, nonprofit organizations, public utilities, and mutual water
37 companies. To be eligible for funding under this division, a project
38 proposed by a public utility that is regulated by the Public Utilities
39 Commission or a mutual water company shall have a clear and

1 definite public purpose and shall benefit the customers of the water
2 system.

3 79715. The Legislature may enact legislation necessary to
4 implement programs funded by this division.

5 79716. The proceeds of bonds issued and sold pursuant to this
6 division shall be deposited in the Safe, Clean, and Reliable
7 Drinking Water Supply Fund of 2010, which is hereby created in
8 the State Treasury.

10 CHAPTER 5. DROUGHT RELIEF

11
12 79720. *The sum of five hundred million dollars (\$500,000,000)*
13 *shall be available, upon appropriation by the Legislature from the*
14 *fund, for the purposes of this chapter.*

15 ~~79720. (a) The sum of two hundred million dollars~~
16 ~~(\$200,000,000)~~

17 79721. (a) *From the funds described in Section 79720, the*
18 *sum of one hundred million dollars (\$100,000,000) shall be*
19 *available, upon appropriation by the Legislature from the fund,*
20 *for the planning, design, and construction of local and regional*
21 *drought relief projects that reduce the impacts of drought*
22 *conditions, including, but not limited to, the impacts of reductions*
23 *in Delta diversions. Eligible projects include all of the following:*
24 (1) Water conservation and efficiency projects, including
25 ~~installation of water efficiency fixtures.~~ *installation of the most*
26 *water efficient fixtures commercially available.*

27 (2) Water recycling and related infrastructure.

28 (3) Groundwater cleanup.

29 (4) Local and regional conveyance projects that improve water
30 supplies and public benefits associated with conveyance facilities.

31 (5) Other local and regional water supply reliability projects.

32 (b) Projects funded pursuant to this section shall meet both of
33 the following requirements:

34 (1) The project will provide a sustainable water supply that does
35 not contribute to groundwater overdraft or increase surface water
36 diversions.

37 (2) The project is capable of being operational within two years
38 of receiving the grant.

1 (c) Preference shall be given to applicants that can demonstrate
2 substantial past and current investments in conservation and local
3 water projects.

4 (d) Not more than 10 percent of the funds provided pursuant to
5 this section shall be available for planning, investigations, studies,
6 and monitoring.

7 (e) The department shall require a cost share of not less than 50
8 percent of total project costs from nonstate sources. The department
9 may waive or reduce the cost-sharing requirement for projects that
10 directly benefit disadvantaged communities.

11 *79722. From the funds described in Section 79720, the sum of*
12 *one hundred million dollars (\$100,000,000) shall be available,*
13 *upon appropriation by the Legislature from the fund, for grants*
14 *for local and regional drought relief programs and projects that*
15 *reduce the impacts of drought conditions. The Legislature may*
16 *enact legislation to implement this section.*

17 ~~79721. (a) The~~

18 *79723. (a) From the funds described in Section 79720, the*
19 *sum of one hundred million dollars (\$100,000,000) shall be*
20 *available, upon appropriation by the Legislature from the fund, to*
21 *the State Department of Public Health for grants and direct*
22 *expenditures to finance emergency and urgent actions in*
23 *accordance with this section on behalf of disadvantaged*
24 *communities to ensure that safe drinking water supplies are*
25 *available to all Californians.*

26 (b) Of the funds provided in this section, up to eight million
27 dollars (\$8,000,000) shall be made available to the City of
28 Maywood for grants for projects that design and implement water
29 supply infrastructure upgrades that provide for safe drinking water.

30 ~~79722. The~~

31 *79724. (a) From the funds described in Section 79720, the*
32 *sum of two hundred million dollars (\$200,000,000) shall be*
33 *available, upon appropriation by the Legislature from the fund,*
34 *for deposit by the Legislature into the Safe Drinking Water State*
35 *Revolving Fund created pursuant to Section 116760.30 of the*
36 *Health and Safety Code.*

CHAPTER 6. REGIONAL WATER SUPPLY RELIABILITY

79725. The sum of three billion three hundred forty million dollars (\$3,340,000,000) shall be available, upon appropriation by the Legislature from the fund, for the purposes of this chapter.

79726. From the funds described in Section 79725, the sum of two billion dollars (\$2,000,000,000) shall be available, upon appropriation by the Legislature from the fund, to the department for competitive grants and expenditures for all of the following purposes:

(a) Groundwater *storage and* cleanup pursuant to Section 79729 ~~and groundwater storage~~.

(b) Water recycling and advanced water treatment technology projects pursuant to Section 79730.

(c) Local and regional water conveyance and storage projects pursuant to Section 79731.

(d) Stormwater capture and management pursuant to Part 2.3 (commencing with Section 10560) of Division 6.

79727. (a) For the purposes of awards made from the funds made available by Section 79726, except as provided in subdivision (e), the department shall award grants only to eligible projects that implement an adopted integrated regional water management plan.

(b) An urban water supplier that does not prepare, adopt, and submit its urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6) is ineligible to receive funds made available pursuant to Section 79726 until the urban water management plan is prepared and submitted in accordance with the requirements of that act.

(c) For the purposes of awarding a grant under Section 79726, the department shall require a cost share of not less than 50 percent of the total costs of the project from nonstate sources. The department may waive or reduce the cost-sharing requirement for projects that directly benefit a disadvantaged community.

(d) The funding provided in Section 79726 shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County (designated as the San Diego subregion), the Santa Ana River watershed and

southern Orange County (designated as the Santa Ana subregion), and the Los Angeles County and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. The department may recognize multiple integrated regional water management plans in each of the areas allocated funding. Funds made available by Section 79726 shall be allocated as follows:

- (1) North Coast: \$55,000,000.
- (2) San Francisco Bay: \$301,000,000.
- (3) Central Coast: \$91,000,000.
- (4) Los Angeles subregion: \$488,000,000.
- (5) Santa Ana subregion: \$242,000,000.
- (6) San Diego subregion: \$186,000,000.
- (7) Sacramento River: \$142,000,000.
- (8) San Joaquin River: \$102,000,000.
- (9) Tulare/Kern: \$110,000,000.
- (10) North/South Lahontan: \$30,000,000.
- (11) Colorado River Basin: \$53,000,000.
- (12) Interregional: \$200,000,000.

(e) Interregional funds may be expended directly or granted by the department to address multiregional needs or state priorities, including, but not limited to, any of the following:

- (1) Investing in new water technology development and deployment.
- (2) Meeting state water recycling and water conservation goals.
- (3) Adapting to climate change impacts.
- (4) Reducing contributions to climate change.
- (5) Other projects to improve statewide water management systems.
- (6) Other projects and activities designed to meet the needs of disadvantaged communities, including technical and grant writing assistance.

79728. Of the funds provided in Section 79726, not less than 10 percent shall be allocated to disadvantaged communities.

79729. (a) Of the funds provided in Section 79726, funds shall be available for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water to protect public health.

1 (b) Projects shall be prioritized based upon the following criteria:

2 (1) The threat posed by groundwater contamination to the
3 affected community's overall drinking water supplies, including
4 the need for treatment of alternative supplies if groundwater is not
5 available due to contamination.

6 (2) The potential for groundwater contamination to spread and
7 reduce drinking water supply and water storage for nearby
8 population areas.

9 (3) The potential of the project, if fully implemented, to enhance
10 local water supply reliability.

11 (4) The potential of the project to increase opportunities for
12 groundwater recharge and optimization of groundwater supplies.

13 (c) The department shall give additional consideration to projects
14 that meet any of the following criteria:

15 (1) The project is implemented pursuant to a comprehensive
16 basinwide groundwater quality management and remediation plan
17 or is necessary to develop a comprehensive groundwater plan.

18 (2) Affected groundwater provides a local supply that, if
19 contaminated and not remediated, will require import of additional
20 water from outside the region.

21 (3) The project will serve a disadvantaged community.

22 (4) The project addresses contamination at a site where the
23 responsible parties have not been identified, or where the
24 responsible parties are unwilling or unable to pay for cleanup.

25 (d) Additional funds shall be available for projects that meet
26 the requirements of this section and both of the following criteria:

27 (1) The project is part of a basinwide management and
28 remediation plan for which federal funds have been allocated.

29 (2) The project addresses contamination at a site on the list
30 maintained by the Department of Toxic Substances Control
31 pursuant to Section 25356 of the Health and Safety Code or a site
32 listed on the National Priorities List pursuant to the Comprehensive
33 Environmental Response, Compensation, and Liability Act of 1980
34 (42 U.S.C. Sec. 9601 et seq.).

35 (e) The Legislature, by statute, shall establish both of the
36 following:

37 (1) Requirements for repayment of grant funds in the event of
38 cost recovery from parties responsible for the groundwater
39 contamination.

1 (2) Requirements for recipients of grants to make reasonable
2 efforts to recover costs from parties responsible for groundwater
3 contamination.

4 79730. (a) Of the funds provided in Section 79726, funds shall
5 be available for water recycling and advanced treatment technology
6 projects that include the following:

7 (1) Water recycling projects.

8 (2) Contaminant and salt removal projects, including
9 groundwater and seawater desalination.

10 (3) Dedicated distribution infrastructure for recycled water,
11 including commercial and industrial end-user retrofit projects to
12 allow use of recycled water.

13 (4) Pilot projects for new salt and contaminant removal
14 technology.

15 (5) Groundwater recharge infrastructure related to recycled
16 water.

17 (6) Technical assistance and grant writing assistance for
18 disadvantaged communities.

19 (b) Projects shall be selected on a competitive basis, considering
20 all of the following criteria:

21 (1) Water supply reliability improvement.

22 (2) Water quality and ecosystem benefits related to decreased
23 reliance on diversions from the Delta or instream flows.

24 (3) Public health benefits from improved drinking water quality.

25 (4) Cost-effectiveness.

26 (5) Energy efficiency and greenhouse gas emission impacts.

27 79731. (a) Of the funds provided in Section 79726, funds shall
28 be available for the planning, design, and construction of local and
29 regional conveyance projects that support regional and interregional
30 connectivity and water management. Projects shall provide one or
31 more of the following benefits:

32 (1) Improvements in regional or interregional water supply and
33 water supply reliability.

34 (2) Mitigation of conditions of groundwater overdraft, saline
35 water intrusion, water quality degradation, or subsidence.

36 (3) Adaptation to the impacts of hydrologic changes.

37 (4) Improved water security from drought, natural disasters, or
38 other events that could interrupt imported water supplies.

39 (5) Providing safe drinking water for disadvantaged
40 communities.

(b) Not more than 10 percent of the funds provided pursuant to this section shall be available for planning, investigations, studies, and monitoring.

79732. From the funds described in Section 79725, the sum of one hundred million dollars (\$100,000,000) shall be available to the State Water Resources Control Board for grants for small community wastewater treatment projects to protect water quality that meet all of the following criteria:

(a) The project is for the planning, design, permitting, construction, or improvement of a wastewater treatment facility, sewer system, or related infrastructure necessary to meet water quality standards or prevent contamination of surface water or groundwater resources.

(b) The project will serve a community with a population of 20,000 or less.

(c) The project meets other standards that may be established by the State Water Resources Control Board with respect to the design, construction, financing, and operation of the project.

79733. From the funds described in Section 79725, the sum of forty million dollars (\$40,000,000) shall be available for water quality and public health projects on the New River.

79734. From the funds described in Section 79725, the sum of five hundred million dollars (\$500,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water that meet the requirements of Section 79729. Grants shall be available through a statewide competitive process.

79735. From the funds described in Section 79725, the sum of five hundred million dollars (\$500,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants for water recycling and advanced treatment technology projects that meet the requirements of Section 79730. Grants shall be available through a statewide competitive process.

79736. ~~(a)-(1)~~ From the funds described in Section 79725, the sum of two hundred million dollars (\$200,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants for direct expenditures, grants, and loans for water conservation and water use efficiency projects and programs, including any of the following:

1 (A) Urban water conservation projects and programs, including
2 regional projects and programs, implemented pursuant to Part 2.55
3 (commencing with Section 10608) of Division 6. Priority for
4 funding shall be given to programs and projects that do the
5 following:

6 (i) Assist water suppliers and regions to implement conservation
7 programs and measures that are not locally cost effective.

8 (ii) Support water supplier and regional efforts to implement
9 programs targeted to enhance water use efficiency for commercial,
10 industrial, and institutional water users.

11 (iii) Assist water suppliers and regions with programs and
12 measures targeted toward realizing the conservation benefits of
13 implementation of the provisions of the state landscape model
14 ordinance.

15 (B) Agricultural water use efficiency projects and programs
16 pursuant to Part 2.8 (commencing with Section 10800) of Division
17 6.

18 (C) Agricultural water management plans developed pursuant
19 to Part 2.8 (commencing with Section 10800) of Division 6.

20 (2) Programs and measures undertaken by water suppliers that
21 are required to implement only limited conservation requirements
22 under paragraph (3) of subdivision (b) of Section 10608.20 or are
23 required to perform no more than 5 percent additional conservation
24 under the requirements of Section 10608.22 are not eligible for
25 funding under this section.

26 (e) The department shall award grants or loans under this section
27 in a competitive process that considers, as primary factors, the
28 local and statewide conservation and water use efficiency benefits
29 of the measures proposed for grants.

30 (d) Section 1011 applies to all conservation measures that an
31 agricultural water supplier or an urban water supplier implements
32 with funding under this section. This subdivision does not limit
33 the application of Section 1011 to any other measures or projects
34 implemented by a water supplier.

35
36 CHAPTER 7. DELTA SUSTAINABILITY

37
38 79740. (a) The Bay-Delta Estuary is a unique and irreplaceable
39 combination of environmental and economic resources. Current
40 management and use of the Delta is not sustainable, and results in

1 a high level of conflict among various interests. Future Delta
2 sustainability is threatened by changing hydrology due to climate
3 change, water diversions, flood risk, seismic events, nonnative
4 species, toxics, and other environmental problems. Future
5 management of the Delta must improve Delta ecosystem health
6 and improve the means of Delta water conveyance in order to
7 protect drinking water quality, improve water supply reliability,
8 restore ecosystem health, and preserve agricultural and recreational
9 values in the Delta, while providing to counties and watersheds of
10 origin assurances that their priority to water resources will be
11 protected and that programs or facilities implemented or
12 constructed in the Delta will not result in redirection of
13 unmitigated, significant adverse impacts to the counties and
14 watershed of origin. Many sources of funding will be needed to
15 implement improved Delta management.

16 (b) This chapter provides state funding for public benefits
17 associated with projects needed to assist in the Delta's
18 sustainability as a vital resource for fish, wildlife, water quality,
19 water supply, agriculture, and recreation.

20 79741. The sum of two billion five hundred million dollars
21 (\$2,500,000,000) shall be available, upon appropriation from the
22 fund, for grants and direct expenditures, as follows:

23 (a) (1) Five hundred million dollars (\$500,000,000) for projects,
24 including grants to Delta counties and cities within the Delta, that
25 provide public benefits and support Delta sustainability options,
26 including projects and supporting scientific studies and assessments
27 that do any of the following:

28 (A) Ensure that urban and agricultural water supplies derived
29 from the Delta, including water supplies used within the Delta, are
30 not disrupted because of catastrophic failures of Delta levees
31 resulting from earthquakes, floods, land sinking, rising ocean
32 levels, or other forces.

33 (B) Assist in preserving economically viable and sustainable
34 agriculture and other economic activities in the Delta.

35 (C) Improve the quality of drinking water derived from the
36 Delta.

37 (D) Improve levee and flood control facilities and other vital
38 infrastructure necessary to protect Delta communities.

1 (E) Provide physical improvements or other actions to create
2 water flow and water quality conditions within the Delta to provide
3 adequate habitat for native fish and wildlife.

4 (F) Facilitate other projects that provide public benefits and
5 support Delta sustainability options approved by the Legislature,
6 including costs associated with planning, monitoring, and design
7 of alternatives, and project modifications and adaptations necessary
8 to achieve the goals of this chapter.

9 (G) Mitigate other impacts of water conveyance and ecosystem
10 restoration.

11 (H) Provide or improve water quality facilities and other
12 infrastructure.

13 (2) Of the funds provided in this subdivision, not less than one
14 hundred million dollars (\$100,000,000) shall be available for
15 matching grants for improvements to wastewater treatment
16 facilities upstream of the Delta to improve Delta water quality and
17 not less than six million dollars (\$6,000,000) shall be available for
18 the design, permitting, and construction of wastewater facilities
19 to promote tourism and sustainable agriculture in the north Delta.

20 (b) Two billion dollars (\$2,000,000,000) for projects to protect
21 and enhance the sustainability of the Delta ecosystem, including
22 any of the following:

23 (1) Projects for the development and implementation of the Bay
24 Delta Conservation Plan, consistent with Chapter 10 (commencing
25 with Section 2800) of Division 3 of the Fish and Game Code. The
26 projects shall be implemented through a cooperative effort among
27 regulatory agencies, regulated and potentially regulated entities,
28 and affected parties, including state and federal water contractors.
29 These funds may be expended for the preparation of environmental
30 documentation and environmental compliance.

31 (2) Other projects to protect and restore native fish and wildlife
32 dependent on the Delta ecosystem, including the acquisition of
33 water rights and the removal or reduction of undesirable invasive
34 species.

35 (3) Projects to reduce greenhouse gas emissions from exposed
36 Delta soils.

37 (4) Projects that reduce impacts of mercury contamination of
38 the Delta and its watersheds, and remediation and elimination of
39 continuing sources of mercury contamination.

(5) Scientific studies and assessments that support the projects authorized under this section.

(c) Funds provided by this chapter shall be available for appropriation to, among other entities, the Sacramento-San Joaquin Delta Conservancy for implementation consistent with the Delta Plan.

CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL IMPROVEMENTS

79750. (a) Notwithstanding Section 162, the commission may make the determinations, findings, and recommendations required of it by this chapter independent of the views of the director. All final actions by the commission in implementing this chapter shall be taken by a majority of the members of the commission at a public meeting noticed and held pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(b) Notwithstanding Section 13340 of the Government Code, the sum of three billion dollars (\$3,000,000,000) is hereby continuously appropriated from the fund, without regard to fiscal years, to the commission for public benefits associated with water storage projects that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions, in accordance with this chapter. Funds authorized for, or made available to, the commission pursuant to this chapter shall be available and expended only for the purposes provided in this chapter, and shall not be subject to appropriation or transfer by the Legislature or the Governor for any other purpose.

(c) Projects shall be selected by the commission through a competitive public process that ranks potential projects based on the expected return for public investment as measured by the magnitude of the public benefits provided, pursuant to criteria established under this chapter.

(d) Any project constructed with funds provided by this chapter shall be subject to Section 11590.

79751. Projects for which the public benefits are eligible for funding under this chapter consist of only the following:

1 (a) Surface storage projects identified in the CALFED Bay-Delta
2 Program Record of Decision, dated August 28, 2000, excluding
3 the expansion of the Shasta Reservoir.

4 (b) Groundwater storage projects and groundwater
5 contamination prevention or remediation projects that provide
6 water storage benefits.

7 (c) Conjunctive use and reservoir reoperation projects.

8 (d) Local and regional surface storage projects that improve the
9 operation of water systems in the state and provide public benefits.

10 79752. A project shall not be funded pursuant to this chapter
11 unless it provides measurable improvements to the Delta ecosystem
12 or to the tributaries to the Delta, or improves the self-sufficiency
13 of a region of the state that is dependent upon the Delta for all or
14 a portion of its water supplies.

15 79753. (a) Funds allocated pursuant to this chapter may be
16 expended solely for the following public benefits associated with
17 the projects described in Section 79751:

18 (1) Ecosystem improvements, including changing the timing of
19 water diversions, improvement in flow conditions, temperature,
20 or other benefits that contribute to restoration of aquatic ecosystems
21 and native fish and wildlife, including those ecosystems and fish
22 and wildlife in the Delta.

23 (2) Water quality improvements in the Delta, or in other river
24 systems, that provide significant public trust resources, or that
25 clean up and restore groundwater resources.

26 (3) Flood control benefits, including, but not limited to, increases
27 in flood reservation space in existing reservoirs by exchange for
28 existing or increased water storage capacity in response to the
29 effects of changing hydrology and decreasing snow pack on
30 California's water and flood management system.

31 (4) Emergency response, including, but not limited to, water
32 supplies and flows for dilution and salinity repulsion following a
33 natural disaster or act of terrorism.

34 (5) Recreational purposes, including, but not limited to, those
35 recreational pursuits generally associated with the outdoors.

36 (b) For the purposes of this chapter, "public benefits" does not
37 include the costs of environmental mitigation measures or
38 compliance obligations.

39 79754. In consultation with the Department of Fish and Game,
40 the State Water Resources Control Board, and the department, the

1 commission shall develop and adopt, by regulation, methods for
2 quantification and management of public benefits described in
3 Section 79753 by December 15, 2012. The regulations shall include
4 the priorities and relative environmental value of ecosystem
5 benefits as provided by the Department of Fish and Game and the
6 priorities and relative environmental value of water quality benefits
7 as provided by the State Water Resources Control Board.

8 79755. (a) Except as provided in subdivision (c), no funds
9 allocated pursuant to this chapter may be allocated for a project
10 before December 15, 2012, and until the commission approves the
11 project based on the commission's determination that all of the
12 following have occurred:

13 (1) The commission has adopted the regulations specified in
14 Section 79754 and specifically quantified and made public the cost
15 of the public benefits associated with the project.

16 (2) The department has entered into a contract with each party
17 that will derive benefits, other than public benefits, as defined in
18 Section 79753, from the project that ensures the party will pay its
19 share of the total costs of the project. The benefits available to a
20 party shall be consistent with that party's share of total project
21 costs.

22 (3) The department has entered into a contract with each public
23 agency identified in Section 79754 that administers the public
24 benefits, after that agency makes a finding that the public benefits
25 of the project for which that agency is responsible meet all the
26 requirements of this chapter, to ensure that the public contribution
27 of funds pursuant to this chapter achieves the public benefits
28 identified for the project.

29 (4) The commission has held a public hearing for the purposes
30 of providing an opportunity for the public to review and comment
31 on the information required to be prepared pursuant to this
32 subdivision.

33 (5) All of the following additional conditions are met:

34 (A) Feasibility studies have been completed.

35 (B) The director has found and determined that the project is
36 feasible, is consistent with all applicable laws and regulations, and
37 will advance the long-term objectives of restoring ecological health
38 and improving water management for beneficial uses of the Delta.

39 (C) All environmental documentation associated with the project
40 has been completed, and all other federal, state, and local approvals,

1 certifications, and agreements required to be completed have been
2 obtained.

3 (b) The commission shall submit to the Legislature its findings
4 for each of the criteria identified in subdivision (a) for a project
5 funded pursuant to this chapter.

6 (c) Notwithstanding subdivision (a), funds may be made
7 available under this chapter for the completion of environmental
8 documentation, permitting, and feasibility studies of a project.

9 79756. (a) The public benefit cost share of a project funded
10 pursuant to this chapter, other than a project described in
11 subdivision (c) of Section 79751, may not exceed 50 percent of
12 the total costs of any project funded under this chapter.

13 (b) No project may be funded unless it provides ecosystem
14 improvements as described in paragraph (1) of subdivision (a) of
15 Section 79753 that are at least 50 percent of total public benefits
16 of the project funded under this chapter.

17 79757. (a) A project identified in subdivision (a) of Section
18 79751 is not eligible for funding under this chapter unless, by
19 January 1, 2018, all of the following conditions are met:

20 (1) All feasibility studies are complete and draft environmental
21 documentation is available for public review.

22 (2) The director makes a finding that the project is feasible and
23 will advance the long-term objectives of restoring ecological health
24 and improving water management for beneficial uses of the Delta.

25 (3) The director receives commitments for not less than 75
26 percent of the nonpublic benefit cost share of the project.

27 (b) If compliance with subdivision (a) is delayed by litigation
28 or failure to promulgate regulations, the date in subdivision (a)
29 shall be extended by the commission for a time period that is equal
30 to the time period of the delay, and funding under this chapter that
31 has been dedicated to the project shall be encumbered until the
32 time at which the litigation is completed or the regulations have
33 been promulgated.

34 79758. Surface storage projects funded pursuant to this chapter
35 and described in subdivision (a) of Section 79751 may be made a
36 unit of the Central Valley Project as provided in Section 11290
37 and may be financed, acquired, constructed, operated, and
38 maintained pursuant to Part 3 (commencing with Section 11100)
39 of Division 6.

1 CHAPTER 9. STATEWIDE WATERSHED AND WATER QUALITY
2 PROTECTIONS

4 79760. The sum of one billion six hundred fifty million dollars
5 (\$1,650,000,000) shall be available, upon appropriation by the
6 Legislature from the fund, in accordance with this chapter, for
7 expenditures and grants for ecosystem and watershed protection
8 and restoration projects, including, but not limited to, all of the
9 following watersheds:

- (a) The San Joaquin River watershed.
- (b) The Kern River and Tulare Basin watersheds.
- (c) The Salton Sea and Colorado River watersheds.
- (d) The Los Angeles River watershed.
- (e) The San Gabriel River watershed.
- (f) The Santa Ana River watershed.
- (g) The Klamath River watershed, including the Trinity, Scott, and Shasta Rivers and watersheds.
- (h) The North Coast watersheds.
- (i) The San Francisco Bay watersheds.
- (j) The Central Coast watersheds.
- (k) The South Coast watersheds.
- (l) The Lake Tahoe Basin watershed.
- (m) The Sacramento River watershed, including the Yolo Bypass.
- (n) The San Diego County coastal watersheds.
- (o) The Ventura River watershed.
- (p) The Sierra Nevada Mountain watersheds.
- (q) The Mojave River watershed.
- (r) The Owens River watershed.
- (s) The Santa Monica Bay watershed.
- (t) The watersheds of Marin County.
- (u) The watersheds of Orange County.

79761. Funds provided under this chapter may be appropriated to the Natural Resources Agency, the Department of Fish and Game, the Wildlife Conservation Board, the California Conservation Corps, the Department of Conservation, the Department of Parks and Recreation, the Department of Forestry and Fire Protection, or to state conservancies for expenditures and grants consistent with this chapter and other applicable laws.

1 79762. (a) Funds provided for the Sacramento River and San
2 Joaquin River watersheds pursuant to Section 79760 shall be
3 available for projects consistent with the ecosystem restoration
4 program element of the California Bay-Delta Program, or its
5 successor, or the San Joaquin River Parkway Master Plan.

6 (b) Funds provided for Salton Sea watershed projects pursuant
7 to Section 79760 shall be available for Salton Sea restoration
8 activities identified for “Period I” in the Natural Resources Agency
9 report entitled “Salton Sea Ecosystem Restoration Program
10 Preferred Alternative Report and Funding Plan,” dated May 2007.

11 (c) Funds provided for the Lake Tahoe Basin watershed pursuant
12 to Section 79760 shall be available for projects consistent with the
13 Lake Tahoe Environmental Improvement Program.

14 (d) Funds provided for the Los Angeles River and San Gabriel
15 River watersheds pursuant to Section 79760 shall be available
16 pursuant to Section 79508, and for projects identified in the Los
17 Angeles River Revitalization Master Plan.

18 79763. For restoration and ecosystem protection projects under
19 this chapter, the services of the California Conservation Corps or
20 community conservation corps shall be used whenever feasible.

21 79764. Of the funds provided in Section 79760, not less than
22 two hundred fifty million dollars (\$250,000,000) shall be available
23 to the State Coastal Conservancy for projects within coastal
24 counties and coastal watersheds. Of this amount, not less than forty
25 million dollars (\$40,000,000) shall be available for grants in San
26 Diego County, including grants to the San Diego River
27 Conservancy, not less than forty million dollars (\$40,000,000)
28 shall be available for the Santa Ana River Parkway, and not less
29 than twenty million dollars (\$20,000,000) shall be available for
30 grants for protection and restoration of the Bolsa Chica wetlands
31 and adjacent uplands and for associated visitor and interpretive
32 natural history or archeological facilities.

33 79765. Of the funds provided in Section 79760, not less than
34 one hundred million dollars (\$100,000,000) shall be available to
35 the Wildlife Conservation Board for direct expenditures or grants
36 for the acquisition of water rights from willing sellers and the
37 conveyance of water for the benefit of migratory birds on wildlife
38 refuges and wildlife habitat areas subject to Section 3406(d) of the
39 federal Central Valley Project Improvement Act (Public Law
40 102-575), if the acquisition of water rights by the Wildlife

1 Conservation Board is consistent with that federal act. All costs
2 associated with the acquisition of water rights by the Wildlife
3 Conservation Board for the purposes set forth in this section shall
4 be paid for out of the funds designated for the Wildlife
5 Conservation Board.

6 79766. (a) Of the funds provided in Section 79760, not less
7 than two hundred fifty million dollars (\$250,000,000) shall be
8 available to the Wildlife Conservation Board for direct expenditures
9 or grants for the protection or restoration of watershed lands or
10 rivers and streams that support species listed as threatened or
11 endangered under state or federal law, consistent with the
12 requirements of programs identified in Division 2 (commencing
13 with Section 700) of the Fish and Game Code, and requirements
14 to implement or develop a natural community conservation plan
15 pursuant to Chapter 10 (commencing with Section 2800) of
16 Division 3 of the Fish and Game Code.

17 (b) Of the funds provided in this section, not less than fifty
18 million dollars (\$50,000,000) shall be available for watershed
19 protection projects within Los Angeles and Ventura Counties
20 identified by the South Coast Wildlands Project. Priority shall be
21 given to projects from willing sellers offering their property at fair
22 market value to public entities consistent with paragraph (1) of
23 subdivision (d) of Section 7267.2 of the Government Code. In
24 order to ensure programmatic consistency with ongoing state
25 conservancy programs, any project financed pursuant to this
26 subdivision within the jurisdiction of the San Gabriel and Lower
27 Los Angeles Rivers and Mountains Conservancy, any project
28 within the jurisdiction of the Baldwin Hills Conservancy, and any
29 project within the jurisdiction of the Santa Monica Mountains
30 Conservancy, shall be upon application of, and by grant to, the
31 respective conservancy. The conservancy may apply on behalf of
32 a local agency, and in that case the Wildlife Conservation Board
33 may make the grant award directly to that local agency.

34 (c) Of the funds provided in this section, the sum of twenty-five
35 million dollars (\$25,000,000) shall be available to the San Joaquin
36 River Conservancy for river parkway projects.

37 79767. Of the funds provided in Section 79760, the sum of
38 seven hundred forty million dollars (\$740,000,000) shall be
39 available, upon appropriation by the Legislature, as follows:

1 (a) One hundred million dollars (\$100,000,000) to the San
2 Gabriel and Lower Los Angeles Rivers and Mountains
3 Conservancy for the purposes described in subdivision (d) of
4 Section 79762.

5 (b) One hundred million dollars (\$100,000,000) to the Santa
6 Monica Mountains Conservancy for implementation of watershed
7 protection activities throughout the watershed of the upper Los
8 Angeles River.

9 (c) Twenty-five million dollars (\$25,000,000) to the Baldwin
10 Hills Conservancy.

11 (d) Twenty-five million dollars (\$25,000,000) for Santa Monica
12 Bay watershed projects pursuant to Division 23 (commencing with
13 Section 33000) of the Public Resources Code.

14 (e) Fifty million dollars (\$50,000,000) to the State Coastal
15 Conservancy for coastal salmonid restoration projects.

16 (f) One hundred million dollars (\$100,000,000) to the Lake
17 Tahoe Conservancy for the Lake Tahoe Environmental
18 Improvement Program as described in subdivision (c) of Section
19 79762.

20 (g) Twenty million dollars (\$20,000,000) shall be available to
21 the Department of Conservation for the California Farmland
22 Conservancy Program Act (Division 10.2 (commencing with
23 Section 10200) of the Public Resources Code).

24 (h) Twenty million dollars (\$20,000,000) shall be available to
25 the Department of Conservation for ~~the Watershed Coordinator~~
26 ~~Grant Program~~ *its watershed program*.

27 (i) Fifty million dollars (\$50,000,000) shall be available to the
28 secretary for projects in accordance with the California River
29 Parkways Act of 2004 (Chapter 3.8 (commencing with Section
30 5750) of Division 5 of the Public Resources Code). Up to twenty
31 million dollars (\$20,000,000) may be transferred to the department
32 for the Urban Streams Restoration Program pursuant to Section
33 7048 of the Water Code.

34 (j) One hundred million dollars (\$100,000,000) shall be available
35 for the Sierra Nevada Conservancy.

36 (k) One hundred million dollars (\$100,000,000) shall be
37 available for Salton Sea restoration pursuant to subdivision (b) of
38 Section 79762.

39 (l) Ten million dollars (\$10,000,000) shall be available to the
40 Natural Resources Agency for planning for natural resources and

1 watershed protections to address climate change impacts and
2 adaptation.

3 (m) Thirty million dollars (\$30,000,000) shall be available to
4 the Department of Parks and Recreation for grants for watershed
5 education facilities. Of this amount, twenty million dollars
6 (\$20,000,000) shall be available for capital improvements to
7 watershed education centers that serve an urban area with a
8 population of over one million and not less than ten million dollars
9 (\$10,000,000) shall be available for capital improvements to
10 nonprofit facilities that provide watershed, environmental justice,
11 and urban greening education programs to students in the
12 Sacramento Unified School District and the surrounding area.

13 (n) Ten million dollars (\$10,000,000) shall be deposited in the
14 California Waterfowl Habitat Preservation Account for the
15 purposes of implementing the California Waterfowl Habitat
16 Program described in Article 7 (commencing with Section 3460)
17 of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code,
18 the California Landowner Incentive Program, and the Permanent
19 Wetland Easement Program.

20 79768. Of the funds provided in Section 79760, not more than
21 two hundred fifty million dollars (\$250,000,000) shall be available
22 for dam removal and related measures in the Klamath River
23 watershed if the secretary finds that all of the following conditions
24 have been met:

25 (a) The State of California, the State of Oregon, the United
26 States, and PacifiCorp have executed a dam removal agreement.

27 (b) The State of California, the State of Oregon, and the United
28 States have made the determinations required under the agreement
29 to effect dam removal.

30 (c) Ratepayer funds required by the agreement have been
31 authorized and will be timely provided.

32 (d) All other conditions required in the agreement have been
33 met.

34 79769. Of the funds provided in Section 79760, the sum of
35 seventy-five million dollars (\$75,000,000) shall be available, upon
36 appropriation by the Legislature from the fund, to the State Coastal
37 Conservancy for projects that meet the requirements of the
38 California Ocean Protection Act (Division 26.5 (commencing with
39 Section 35500) of the Public Resources Code).

1 79770. For the purposes of this chapter, the terms “restoration”
2 and “protection” have the meanings set forth in Section 75005 of
3 the Public Resources Code.

4
5 CHAPTER 10. FISCAL PROVISIONS
6

7 79810. (a) Bonds in the total amount of ten billion nine
8 hundred ninety million dollars (\$10,990,000,000), not including
9 the amount of any refunding bonds issued in accordance with
10 Section 79822, or so much thereof as is necessary, may be issued
11 and sold to provide a fund to be used for carrying out the purposes
12 expressed in this division and to reimburse the General Obligation
13 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
14 Government Code. The bonds, when sold, shall be and constitute
15 valid and binding obligations of the State of California, and the
16 full faith and credit of the State of California is hereby pledged
17 for the punctual payment of both the principal of, and interest on,
18 the bonds as the principal and interest become due and payable.

19 (b) The Treasurer shall sell the bonds authorized by the
20 committee pursuant to this section. The bonds shall be sold upon
21 the terms and conditions specified in a resolution to be adopted
22 by the committee pursuant to Section 16731 of the Government
23 Code.

24 79811. The bonds authorized by this division shall be prepared,
25 executed, issued, sold, paid, and redeemed as provided in the State
26 General Obligation Bond Law, and all of the provisions of that
27 law apply to the bonds and to this division and are hereby
28 incorporated in this division as though set forth in full in this
29 division, except Section 16727 of the Government Code shall not
30 apply to the extent that it is inconsistent with any other provision
31 of this division.

32 79812. (a) Solely for the purpose of authorizing the issuance
33 and sale, pursuant to the State General Obligation Bond Law, of
34 the bonds authorized by this division, the Safe, Clean, and Reliable
35 Drinking Water Finance Committee is hereby created. For purposes
36 of this division, the Safe, Clean, and Reliable Drinking Water
37 Finance Committee is “the committee” as that term is used in the
38 State General Obligation Bond Law.

39 (b) The committee consists of the Director of Finance, the
40 Treasurer, the Controller, the Director of Water Resources, and

1 the Secretary of the Natural Resources Agency. Notwithstanding
2 any other provision of law, any member may designate a deputy
3 to act as that member in his or her place for all purposes, as though
4 the member were personally present.

5 (c) The Treasurer shall serve as chairperson of the committee.

6 (d) A majority of the members of the committee shall constitute
7 a quorum of the committee, and may act for the committee.

8 79813. The committee shall determine whether or not it is
9 necessary or desirable to issue bonds authorized pursuant to this
10 division to carry out the actions specified in this division and, if
11 so, the amount of bonds to be issued and sold. Successive issues
12 of bonds may be authorized and sold to carry out those actions
13 progressively, and it is not necessary that all of the bonds
14 authorized to be issued be sold at any one time.

15 79814. "Board," as defined in Section 16722 of the Government
16 Code for the purposes of compliance with the State General
17 Obligation Bond Law, means the department.

18 79815. There shall be collected each year and in the same
19 manner and at the same time as other state revenue is collected,
20 in addition to the ordinary revenues of the state, a sum in an amount
21 required to pay the principal of, and interest on, the bonds each
22 year, and it is the duty of all officers charged by law with any duty
23 in regard to the collection of the revenue to do and perform each
24 and every act which is necessary to collect that additional sum.

25 79816. Notwithstanding Section 13340 of the Government
26 Code, there is hereby appropriated from the General Fund in the
27 State Treasury, for the purposes of this division, an amount that
28 will equal the total of the following:

29 (a) The sum annually necessary to pay the principal of, and
30 interest on, bonds issued and sold pursuant to this division, as the
31 principal and interest become due and payable.

32 (b) The sum that is necessary to carry out the provisions of
33 Section 79819, appropriated without regard to fiscal years.

34 79817. The board may request the Pooled Money Investment
35 Board to make a loan from the Pooled Money Investment Account
36 in accordance with Section 16312 of the Government Code for the
37 purpose of carrying out this division. The amount of the request
38 shall not exceed the amount of the unsold bonds that the committee
39 has, by resolution, authorized to be sold for the purpose of carrying
40 out this division. The board shall execute those documents required

1 by the Pooled Money Investment Board to obtain and repay the
2 loan. Any amounts loaned shall be deposited in the fund to be
3 allocated in accordance with this division.

4 79818. Notwithstanding any other provision of this division,
5 or of the State General Obligation Bond Law, if the Treasurer sells
6 bonds that include a bond counsel opinion to the effect that the
7 interest on the bonds is excluded from gross income for federal
8 tax purposes under designated conditions, the Treasurer may
9 maintain separate accounts for the bond proceeds invested and for
10 the investment earnings on those proceeds, and may use or direct
11 the use of those proceeds or earnings to pay any rebate, penalty,
12 or other payment required under federal law or take any other
13 action with respect to the investment and use of those bond
14 proceeds, as may be required or desirable under federal law in
15 order to maintain the tax-exempt status of those bonds and to obtain
16 any other advantage under federal law on behalf of the funds of
17 this state.

18 79819. For the purposes of carrying out this division, the
19 Director of Finance may authorize the withdrawal from the General
20 Fund of an amount or amounts not to exceed the amount of the
21 unsold bonds that have been authorized by the committee to be
22 sold for the purpose of carrying out this division. Any amounts
23 withdrawn shall be deposited in the fund. Any money made
24 available under this section shall be returned to the General Fund,
25 with interest at the rate earned by the money in the Pooled Money
26 Investment Account, from proceeds received from the sale of bonds
27 for the purpose of carrying out this division.

28 79820. All money deposited in the fund that is derived from
29 premiums and accrued interest on bonds sold pursuant to this
30 division shall be reserved in the fund and shall be available for
31 transfer to the General Fund as a credit to expenditures for bond
32 interest.

33 79821. Pursuant to Chapter 4 (commencing with Section
34 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
35 the cost of bond issuance shall be paid out of the bond proceeds.
36 These costs shall be shared proportionately by each program funded
37 through this division.

38 79822. The bonds issued and sold pursuant to this division
39 may be refunded in accordance with Article 6 (commencing with
40 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of

1 the Government Code, which is a part of the State General
2 Obligation Bond Law. Approval by the electors of the state for the
3 issuance of the bonds under this division shall include approval
4 of the issuance of any bonds issued to refund any bonds originally
5 issued under this division or any previously issued refunding bonds.

6 79823. The proceeds from the sale of bonds authorized by this
7 division are not “proceeds of taxes” as that term is used in Article
8 XIII B of the California Constitution, and the disbursement of
9 these proceeds is not subject to the limitations imposed by that
10 article.

11 79824. Until January 1, 2015, the Treasurer shall only sell
12 bonds in an amount that does not exceed 50 percent of the total
13 funds authorized to be issued and sold pursuant to this division.

14 SEC. 2. Section 1 of this act shall be submitted to the voters
15 at the November 2, 2010, statewide general election in accordance
16 with provisions of the Government Code and the Elections Code
17 governing the submission of a statewide measure to the voters.
18 Section 1 of this act shall take effect only upon the approval by
19 the voters of the Safe, Clean, and Reliable Drinking Water Supply
20 Act of 2010, as set forth in that section.

21 SEC. 3. (a) (1) *Notwithstanding Section 9051 of the Elections*
22 *Code or any other provision of law, the Attorney General shall*
23 *provide and return to the Secretary of State a ballot title and*
24 *summary in 10-point type for all state ballot pamphlets of the*
25 *November 2, 2010, statewide general election that contains the*
26 *following title and summary for Assembly Bill 14, adopted by the*
27 *Legislature at the 2009–10 Seventh Extraordinary Session:*

28 “SAFE, CLEAN, AND RELIABLE DRINKING WATER SUPPLY
29 ACT OF 2010” and in the same square under those words:
30

31 “To ensure safe, clean drinking water; increase California’s
32 water supplies; expand water recycling and conservation; restore
33 fish and wildlife; reduce polluted runoff that contaminates rivers,
34 streams, beaches, and bays; restore water quality and the
35 environmental health of the Delta and protect state water supplies
36 from earthquakes and other natural disasters, the state shall issue
37 bonds in the amount of ten billion nine hundred ninety million
38 dollars (\$10,990,000,000) paid from existing state funds, subject
39 to independent, annual audits.”
40

1 (2) *The language in paragraph (1) shall be the only language*
2 *included in the title and summary for Assembly Bill 14, adopted*
3 *by the Legislature at the 2009–10 Seventh Extraordinary Session,*
4 *and the Attorney General shall not supplement, subtract from, or*
5 *revise that language.*

6 (3) *Notwithstanding any other provision of law, including*
7 *Sections 9050, 9051, 13247, 13262, and 13281 of the Elections*
8 *Code, the language in paragraph (1) for the title and summary*
9 *shall also be the language included in the ballot label for the*
10 *condensed statement of the ballot title, and the Attorney General*
11 *shall not supplement, subtract from, or revise that language, except*
12 *that the Attorney General may include the fiscal impact summary*
13 *prepared pursuant to Section 9087 of the Elections Code and*
14 *Section 88003 of the Government Code. The ballot label is the*
15 *condensed statement of the ballot title and the financial impact*
16 *summary.*

17 (b) *Opposite the square, there shall be left spaces in which the*
18 *voters may place a cross in the manner required by law to indicate*
19 *whether they vote for or against the act.*

20 (c) *Where the voting in the election is done by means of voting*
21 *machines used pursuant to law in the manner that carries out the*
22 *intent of this section, the use of the voting machines and the*
23 *expression of the voters' choices by means thereof are in*
24 *compliance with this section.*

25 ~~SEC. 3.~~

26 SEC. 4. The sum of two hundred million dollars (\$200,000,000)
27 is hereby appropriated from the funds made available by Section
28 5096.821 of the Public Resources Code to the Department of Water
29 Resources for flood protection projects in the Delta. The
30 department shall expedite the evaluation of nonurban levees on
31 the west bank of the Sacramento River, including those for
32 Clarksburg and Knights Landing, and consider a joint project with
33 local government agencies for improving the Yolo Bypass as a
34 multibenefit flood control facility, including support of multibenefit
35 flood control alternatives for tributaries to the Yolo Bypass.

36 ~~SEC. 4. This act shall take effect only if Senate Bill _____ of~~
37 ~~the 2009–10 Seventh Extraordinary Session of the Legislature is~~
38 ~~enacted and becomes effective.~~

39 SEC. 5. This act is an urgency statute necessary for the
40 immediate preservation of the public peace, health, or safety within

- 1 the meaning of Article IV of the Constitution and shall go into
- 2 immediate effect. The facts constituting the necessity are:
- 3 In order to finance a safe, clean, and reliable water supply at the
- 4 earliest possible date, it is necessary for this act to take effect
- 5 immediately.

O